

## Congressman Baird To Support Historic Health Care Reform

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There is no question in my mind that our current health care system cannot be sustained and must be improved. Because of my background as a health care professional, working for more than twenty years before entering Congress, having focused extensively on health care during my time in Congress, as a parent of two young children, and as someone who has listened to countless constituents and groups from across the professional, patient and political spectrum, there is no other issue before Congress that has received as much of my personal attention and effort.

Providing health care is not a political issue for me, it was my chosen profession, it is something I feel deeply about, and it is a service to which I have dedicated much of my life.

Recognizing the urgent need for reform, I have tried as hard as I possibly can to evaluate the merits of the proposals before us. I have read the entire House and Senate bills, plus the reconciliation legislation. I have studied the Congressional Budget Office analyses of both bills plus the reconciliation package. I have read reports by the Kaiser Family Foundation, the Committee for a Responsible

Federal Budget, and numerous others. At my specific request, the Democratic caucus has held an unprecedented number of meetings with policy and legislative experts to go over in detail the text of the legislation and alternatives.

Beyond studying the legislation put forward by the Democrats in Congress, I have also made a sincere and earnest effort to read and evaluate criticism of that legislation and consider alternative proposals, including proposals from members of both major political parties and independent groups. I also put forward my own proposal for comprehensive health care reform.

The legislation before Congress today represents the results of more than a year of intense public debate. After months of discussion and the passage of a bill in the House last November, the Senate then engaged in extensive deliberations and debate, including consideration of numerous amendments. Since passage of the Senate bill, further modifications have been presented and the final draft plus all but nine pages of amendments was available to Congress and to the public online for 72 hours before the vote. This deliberation time is something I have long championed and insisted upon and I am heartened that the leadership followed this responsible and reasonable approach.

The challenge before us now is this: the status quo cannot be sustained. It will continue to allow health care costs to rise more rapidly than people can afford, it will leave insured Americans facing the loss of insurance if they get sick or lose their jobs, it will leave countless small businesses unable to afford insurance for their workers, it will leave fifty million Americans without health insurance, and it will lead to the bankruptcy of the nation as health care entitlement costs continue to grow.

What is the alternative?

I believe, and I have proposed elsewhere, that we should completely replace the existing federal and state health care programs with a much simpler and more affordable solution. More information about that proposal is available on my website.

Realistically, however, I recognize that at the present time it is unlikely my own proposals would be adopted. Further, and most unfortunately, I have also

concluded that the prospect of serious bipartisan cooperation on an alternative is unlikely, particularly given the unprecedented level of abuse of the filibuster rule in the Senate and the current partisan political climate.

It is worth noting that for the six years in which the Republican party held the Presidency and majorities in the House and Senate, no legislation was passed to protect people from discrimination against pre-existing conditions, nor was any legislation passed to rein in the abuses of insurance companies or limit exorbitant premium increases. What is more, the major health care legislation that did become law - the Medicare prescription drug benefit - was estimated to increase the deficit by nearly a trillion dollars over a decade, was brought to the floor with less than thirty hours to read, with only a single Democratic amendment allowed, and was written with Democrats literally locked out of the room.

The legislation before us is not perfect, but it does make substantial improvements on what exists today and it contains many improvements over the bill that passed the House of Representatives in 2009. Some of the most key elements include:

First, and importantly, the final bill contains mechanisms to eventually lower health care costs to individuals, business, and government. These include core changes to Medicare compensation practices; real competition and choice of plans through a health insurance exchange; procedures to allow cross state insurance purchases; evidence based quality of care guidelines to reduce treatment errors and hospital acquired infections; tangible and proven programs to seriously tackle fraud and abuse in Medicare and Medicaid; plus multiple other mechanisms long championed by health care economists and practitioners.

Second, people who already have insurance will no longer live in fear that if they get sick or lose their jobs they will lose their coverage. Discrimination against pre-existing conditions and rescissions of existing policies will end if this bill becomes law. Having met numerous individuals and families whose lives were turned upside down because of illness and loss of coverage, and having treated patients who delayed needed health care because they had lost their insurance, I cannot overstate how important this is.

Third, in contrast to prior legislation, including previous expansions of Medicare Advantage and Medicare Part D, which were not paid for and added more than a trillion dollars of deficit spending, this legislation will be paid for and does not add to the deficit. The non-partisan Congressional Budget Office estimates that over the next two decades this will lower the Federal debt by more than one trillion dollars relative to current law. I recognize fully that this CBO estimate

itself contains a number of shortcomings, among them excluding the costs of the Sustainable Growth Rate fix. I believe it is imperative that these concerns be addressed and at the end of this document I offer some suggestions for how to do this.

Fourth, small businesses will immediately have assistance to help provide insurance for their employees and will have access to far more choice and competition when the exchange is created. At the same time, most small businesses will be exempt from employer mandates, and those with existing health insurance will be able to keep their insurance as is if they choose to do so.

Fifth, young people, who have been particularly affected by the economic downturn, will immediately be able to stay on their parents' health plans long enough to give them time to obtain employment and insurance on their own.

Sixth, tens of millions of hard working American citizens who cannot afford health care or who lost their insurance when they lost their jobs will soon be able to purchase a basic policy with support commensurate to their needs. This will not only improve their own health and economic productivity, it will reduce costly trips to the emergency rooms, alleviate the costs of uncompensated care that currently threatens to bankrupt many hospitals, and help detect and treat illnesses in their early stages before they become more costly and more lethal.

Seventh, seniors who face unexpected and unaffordable costs for prescription drug coverage will now have the so-called "donut hole" in coverage under Medicare part D closed through a combination of additional assistance and reduction in pharmaceutical costs. Again, this increased coverage is paid for in this bill rather than adding to the deficit.

Eighth, critical shortages in health care professionals, particularly general practitioners, nurses and certain high need specialists will be reduced through education assistance and other mechanisms.

Ninth, key reforms of the insurance industry will help rein in exorbitant premium increases and anti-competitive practices.

Tenth, long standing inequities in compensation rates that have disadvantaged our Northwest region and other parts of the country will finally begin to be corrected, in the short term through adjustments to hospital and provider payments, and in the longer term through a more comprehensive review and overhaul of how payment rates are set. This is something I have worked especially hard on since before I was elected to Congress and throughout the current process.

Having identified some of the positives in the legislation, there are concerns.

Foremost among these is the sheer complexity of the legislation. This complexity was not created by the legislation itself but is the result of the need to modify so many pre-existing programs at the state and federal level. Again, I would have much preferred that we replace these with something much simpler, but that is not likely to happen in the near future regardless of which party is in the majority.

Consistent with legislation I have previously introduced, I would also have preferred more specific and comprehensive reforms of the medical liability system. Although there are provisions in the bill which I support to promote alternatives to litigation, a more thorough approach that protects patient's rights, promotes quality of care, and reduces the numbers and costs of lawsuits would add substantially to the savings in health care costs across all programs.

A third change would be to accurately account for and pay for the "Sustainable Growth Rate" fix in Medicare, which is estimated to cost more than \$200 billion over the next ten years. I would recommend reducing the potential provider payment reduction by some degree, but not entirely, while at the same time increasing tax revenues to pay for any fix without increasing the deficit. In addition, and I recognize this will not be politically popular, we should give greater attention to basing not only health care but all entitlements on a needs basis. If the alternative to this is passing more deficit and debt on to our children, I believe the more responsible choice is needs adjustment

Fourth, and again politically difficult, I believe the revenues generated in the legislation fall too heavily on incomes over \$250,000. I would rather have seen the

revenue burden distributed more broadly on a progressive scale, with more modest adjustments also applied among those making more than \$100,000 per year and on up. Broader distribution of revenue increases would have helped further reduce the deficit while more evenly sharing in the responsibility across the population.

## Conclusion

Weighing the concerns against the benefits of the legislation, and considering that the status quo is unsustainable, I will vote for this legislation.

This does not mean all of the problems of improving health care, lowering costs, reducing the deficit and others are solved by this bill. We must continue to work for further improvements in each of these areas and I am committed to doing so. But on balance, I believe this legislation will be much better than what exists today, I believe it represents a number of improvements in both content and process over the legislation as passed by the House, and, it is the best we are likely to be able to accomplish at the present time.

Finally, I want to express my personal appreciation to those who have written, called, visited our office and attended town halls and other events to express their opinions on all sides of this issue. The fact that so many have taken the time to do so is itself a testimony to both the importance of this issue and the vibrancy of our republic. I am grateful for the input and have weighed it carefully and thoughtfully as I considered this important, complex and difficult matter.

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